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URS complainants may have second bite of the cherry
International - Hogan Lovells International LLP

gTLDs
Cybersquatting

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In a recent domain name dispute brought under the [Uniform Rapid Suspension System](#) (URS) before the National Arbitration Forum (NAF), an appeal panel ordered the suspension of a domain name under the '.uno' new generic top level-domain (gTLD). The original decision was the first URS decision concerning the '.uno' extension and it is one of the few URS cases that has resulted in an appeal.

New gTLDs are now launching thick and fast and may reach over 1,300 in the near future. According to the ['.uno' Registry](#), '.uno' is a short, meaningful and memorable new top level-domain that has universal recognition for being number one, first, unique and the best. The idea is that '.uno' will globally connect over 490 million English, Spanish, Portuguese or Italian-speaking businesses, consumers and individuals, and will be complimentary to, or in some cases will replace, '.com' as the preferred domain of choice with the Hispanic, Latino, Spanish and Italian markets.

The URS is a new rights protection mechanism designed to provide a faster, cheaper alternative to the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) for clear-cut cases of cybersquatting under the new gTLDs. Although the substantive requirements of the URS are very similar to those of the UDRP, the URS imposes a heavier burden of proof as the standard is "clear and convincing evidence", a standard that requires a higher level of persuasion than the traditional "preponderance of the evidence" (or "on the balance of probabilities"). However, unlike the UDRP, a complainant is only able to obtain the temporary suspension of a domain name for the remainder of the registration period, as opposed to the transfer or cancellation of the domain name available under the UDRP. If they wish, complainants may choose to extend the suspension of the domain name for another year, although they must agree to pay the renewal fees at the time that the URS complaint is filed. If they do not elect to do this, the domain name will be allowed to lapse at the end of the current registration period and may be snapped up by a third party.

In the case at hand, the complainant was [Aéropostale Procurement Company Inc](#), a clothing company based in New York (United States), and the respondent was Michael Kinsey, an individual residing in Texas (United States). The disputed domain name was 'aeropostale.uno'. It was registered by the respondent on March 21 2014, on the second day of general availability.

Only a few days later, on March 26 2014, the complainant submitted a URS complaint to obtain the suspension of the domain name, and within 15 days a decision was delivered in accordance with the URS Rules and Procedure.

To be able to obtain the suspension of a domain name under the URS, a complainant is required to prove each of the following three elements:

1. the domain name is identical or confusingly similar to a word mark: (a) for which the complainant holds a valid national or regional registration that is in current use; (b) that has been validated through court proceedings; or (c) that is specifically protected by a statute or treaty in effect at the time the URS complaint is filed;
2. the registrant has no rights or legitimate interests in the domain name; and
3. the domain was registered and is being used in bad faith.

As for the first requirement, a complainant is required to submit evidence of valid trademark rights. In addition, a complainant is also required to submit proof of use, whether by submitting evidence that the trademark has been validated by the Trademark Clearinghouse (a central repository created by the [Internet Corporation for Assigned Names and Numbers](#) in conjunction with the launch of new gTLDs) or by submitting direct proof of use.

In the present case, the complainant submitted copies of several US trademark registrations for AEROPOSTALE. However, the name of the holder of the trademarks submitted did not correspond to the complainant, but to three other different entities (R H Macy & Co Inc, Aéropostale West Inc and Aéropostale Inc). Given that the complainant did not submit evidence showing its connection with said entities, the examiner determined that the complainant had failed to establish trademark rights and therefore dismissed the complaint without prejudice to the complainant proceeding with an action in a court of competent jurisdiction or under the UDRP. The examiner did not go on to consider either of the other two limbs of the URS because this was not necessary and would not have affected the outcome of the case.

However, a distinctive feature of the URS is that there is an appeal mechanism in place. Either party may

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seek a *de novo* review of a determination within 14 days from the date of issuance of the decision (in other words, another examiner will review the case for the first time again, as opposed to reviewing the findings of the first examiner). The complainant thus decided to file an appeal.

On appeal, the second appointed examiner reviewed the three criteria set out above again. However, this time the examiner found that the complainant had proved that it held valid national trademark rights and had provided sufficient evidence showing that its trademarks were in current use, including screen captures of the website 'www.aeropostale.com' and photographs of the complainant's goods displaying the AEROPOSTALE mark. The examiner then found that the domain name was identical to the complainant's trademarks.

At first sight this finding is somewhat odd, given that it completely contradicts the first examiner's findings. However, Paragraph 12.2 of the URS Procedure provides that "a limited right to introduce new admissible evidence that is material to the determination will be allowed upon payment of an additional fee, provided the evidence clearly pre-dates the filing of the complaint". Thus, it seems that the complainant may have submitted new evidence that was sufficient to change the first examiner's findings, such as evidence of the relationship between the trademark holders and the complainant, or even different trademarks, this time held directly by the complainant.

Turning to the second requirement, and whether the respondent had rights or legitimate interests in the domain name, the examiner observed that the respondent was not connected with the complainant. Furthermore, he noted that there was no evidence suggesting that the respondent was authorised to use any of the complainant's trademarks. Thus, the examiner found that the respondent did not have any rights or legitimate interests in the domain name.

As for bad-faith registration and use, the URS requires both registration and use of a domain name in bad faith, just like the UDRP. Furthermore, like the UDRP, the URS also sets out a similar set of non-exhaustive circumstances that may be indicative of bad-faith registration and use. In the present case, the respondent admitted that he had registered the domain name to take "an opportunity similar to when '.com' first came into existence" and so the examiner found that the respondent had registered the domain name for commercial gain. In addition, the respondent's likely awareness of the complainant's trademark at the time of registration and his admission that he had registered other infringing domain names within the '.uno' gTLD were additional strong indications of bad faith.

The examiner thus found that the complainant had demonstrated by clear and convincing evidence that all three elements of the URS were met and so the examiner [ordered the suspension](#) of the domain name for the remainder of its registration period. The website at 'www.aeropostale.uno' now displays a banner stating "This site is suspended" with the text "The domain name you've entered is not available. It has been taken down as a result of dispute resolution proceedings pursuant to the Uniform Rapid Suspension System (URS) Procedure and Rules". There is also a link to the URS page on the ICANN website. However, in such cases the WHOIS will continue to display the information of the respondent (except for the redirection of the nameservers).

It should be noted that allowing the complainant to submit new evidence on appeal may result in a rather strange situation which in certain circumstances could be said to have more in common with a re-filing than an appeal. Under the UDRP, there is no appeal mechanism, and permission to re-file may be granted only in certain very specific circumstances, for example a breach of natural justice or serious misconduct. In addition, only newly presented evidence that was reasonably unavailable to the complainant during the original UDRP case may be submitted on a re-filing, as opposed to evidence that was available but simply omitted. Thus, had a UDRP been denied under the same circumstances, the complainant would not have had the possibility to appeal and a re-filing would have been unlikely to succeed. The rules on re-filings under the URS are not yet clear, but it is likely that examiners will follow the strict rules set out under UDRP case law and not allow previously available evidence to be submitted. If so, the limited possibility to submit new evidence on appeal under the URS may effectively allow URS complainants a second bite of the cherry, which is not permitted under the UDRP.

This decision demonstrates that the URS is a faster, cheaper alternative to the UDRP, particularly for trademark owners seeking the almost immediate suspension of the domain name. However, in cases in which a trademark holder would prefer to add the infringing domain name to its domain name portfolio, the UDRP is a more appropriate mechanism as it allows a complainant to obtain the transfer of the domain name, as opposed to a mere suspension. It should be noted, however, that both the URS and the UDRP complement each other and so a URS procedure does not prevent a trademark holder from subsequently obtaining the transfer of a domain name under the UDRP.

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Approximately 65 URS cases have been brought so far before NAF, even though this procedure has only been in existence for less than a year. Only time will tell however whether this new rights protection mechanism will prove to be as useful and effective for brand owners as the UDRP.

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